

Paul encourages House negotiators to keep education account Says accounts give parents/students more options, more power, more flexibility FOR IMMEDIATE RELEASE: Saturday, July 19, 1997, or after WASHINGTON, DC - As House and Senate negotiators begin work on the tax package which will eventually go to the president, US Representative Ron Paul (R-Surfside, Texas), sent a letter to House' conferees Thursday evening asking that they keep alive an idea which was passed by the Senate: a tax-free education savings account.

The House and Senate have both passed versions of a tax package for the coming fiscal year. Now, a committee of representatives and senators are meeting to hammer out a compromise version upon which both houses will vote before sending it to the President for his signature.

The education provision, proposed by Senator Paul Coverdell (R-Georgia), would allow parents to contribute up to \$2,000 per year into a savings account designated for providing for their children's education. As long as the funds from the account are used to pay for tuition, books, supplies, computers and other educational expenses, the interest earned on the account would be tax exempt. The account could be used for elementary, secondary and college education.

"Few items considered by this Congress will do as much to benefit all Americans as" this education savings account, wrote Dr. Paul in his letter to the House conferees. Paul is the sponsor of The Family Education Freedom Act, which if passed would grant parents up to \$3,000 a year in tax credits for providing for their children's education, whether they be in public, private, church or home school situations.

Paul said the education account, patterned after the "individual retirement accounts" used by many Americans, would give parents sole authority over how to best educate their own children.

"The key to bettering America's educational status is found not in the bureaucracy of Washington, DC, but rather in parents doing what is in the best interest their child and family, as they see fit. Only parents, with the consultation with local educators, know what is best for their children, and only parents should be allowed to decide how and by whom their children are educated."